

**Summary of Sixteenth Negotiation Session on
New Water Supply Agreement**

Date of Session: February 23, 2004
Place: Santa Rosa Laguna Pumping Plant
Time: 9:00 AM – 10:30 PM

Parties Present and Represented:

Cities: Cotati, Petaluma, Rohnert Park, Santa Rosa, Sonoma and Windsor.
Special Districts: Sonoma County Water Agency, Valley of the Moon WD, North
Marin WD and Marin Municipal WD.

Attachment A contains complete list of attendees.

Discus/Set MOU Negotiation Process:

Virginia Porter, acting chair, opened the discussion on the MOU process. The parties, by consensus, agreed to pursue the MOU Extension negotiation with the below listed technical group. The group was given the task of preparing a draft agreement to bring back to the WAC. It was decided that John Olaf Nelson, Consultant would prepare agenda's and assist with negotiation. Santa Rosa agreed to supply secretarial support (meeting notices/coordination primarily).

Miles Ferris, City of Santa Rosa
Toni Bertolero, City of Cotati
Mike Ban, City of Petaluma
Darrin Jenkins, City of Rohnert Park
Al Bandur, City of Sonoma
Matt Mullan, Town of Windsor
George Roberts, Forestville Water Dist.
Chris DeGabriele, North Marin Water Dist
Ron Theisen, Marin Municipal Water Dist.
Lee Harry, Valley of the Moon Water Dist
Randy Poole, Sonoma County Water Agency

Standby, Support and Other Interested:

Virginia Porter - Santa Rosa, Steve Simmons - Petaluma, Pam Jeane – SCWA,
Tami DeVol – Santa Rosa (secretary), and Bob Brownwood, Calif. Department of
Health Services

The first meeting of the technical work group was set to follow the regular WAC meeting scheduled for March 2, 2004. The first order of business will be to review the elements contained in the MOU.

Status of Agency/Individual Contractor Negotiation Meetings:

WAC consultant John Nelson reported that the SCWA had held individual meetings thus far with officials representing the Town of Windsor, North Marin Water District and City of Rohnert Park. He passed out a summary showing actions tentatively agreed upon to date as a result of those meetings (Attachment B). He noted the summary was organized into three categories of importance: significant (9 items), moderate (10 items) and minor (11 items). He reviewed the significant items. Comments appearing to have broad support by other parties are summarized as follows:

Russian River Customers, Matt Mullan said he thought the Town of Windsor would support payment of the Watershed Planning and Restoration charge on its direct diversions but was concerned about other Russian River customers. After discussion, the consensus of the parties was that the Agency use every available leverage to get Russian River customers to:

1. Sign-on with the CUWCC and agree to implement BMPs for water conservation (Section 2.5).
2. Rely on or perfect their own water rights (Section 3.5).
3. Pay new special charges, such as the Watershed Planning and Restoration charge, on their direct diversions.

As a “for-instance”, with regard to item 3, Chris Murray of SCWA was queried on the Agency’s agreement with the City of Healdsburg. He noted follow-through with the State Water Resources Control Board on changing the points of diversion had not as yet occurred. He was asked that given the fact the Agency has, subsequent to its negotiation with Healdsburg, determined the need for a Watershed Planning and Restoration charge, why it could not now introduce payment of such a charge as a condition of the Agency supporting a change in points of diversion. He said he thought that might be possible and would look into it.

Section 4.14 – Operation and Maintenance Charge – Watershed Planning and Restoration, Pam Torliatt and Lee Harry noted the need for the Agency to better explain the need for additional revenue, specifically: What will the estimated \$2 million/yr over the next three years be spent on? How much money comes from Agency general tax now vs. what is planned in the future? What is the amount of funds that will be supplied from the Russian River Projects fund? What is the justification for recreation expenditures in face of all this? Generally, the parties expressed the need for the Agency to present an overall budget plan of expenditures for ESA and environmental mitigation purposes and planned funding sources for the next three years.

Beyond the next three years, concern over what the potential overall costs the water contractors may be faced with as a result of the Biological Assessment was expressed. Mr. Nelson reported on some discussions he had had with Mr. Poole on this. Pam Torliatt said the Agency should prepare an estimate of these costs. Mike Ban asked that this be placed on the next regular WAC agenda for discussion.

Section 3.5 – Shortage of Water and Apportionment re. Forestville WD, Mike Martini said the issue regarding “Forestville having priority over other water contractors” should be placed in the significant category.

Discussion / Negotiation of Significant Variances (January Draft of Restructured Agreement vs. prior agreements reached by parties):

The parties opted to hold off on further negotiations of significant variances as a group at this time given the current round of negotiation meetings being held with individual water contractors.

Next Restructured Agreement Negotiation Session:

Time and Date: 9:00 AM-12:00 PM, March 22, 2004
Place: Santa Rosa’s Laguna Treatment Plant

Attachments:

- A List of Attendees, Feb. 23, 2004 Negotiation Session
- B Progress of Discussions Between SCWA and Water Contractors

Attachment A

Attendees of Water Advisory Committee Negotiation Meeting For February 23, 2004

Attendees: Virginia Porter, City of Santa Rosa
Mike Martini, City of Santa Rosa
Toni Bertolero, City of Cotati
Janet Orchard, City of Cotati
Ron Theisen, Marin Municipal Water District
Steve Phelps, Marin Municipal Water District
John Mandell, Marin Municipal Water District
Al Bandur, City of Sonoma
Mike Fuson, City of Sonoma
Mike Ban, City of Petaluma
Pam Torliatt, City of Petaluma
Steve Simmons, City of Petaluma
Paul Berlant, Town of Windsor
Matt Mullan, Town of Windsor
Darrin Jenkins, City of Rohnert Park
Lee Harry, Valley of the Moon Water District
Syed Rizvi, North Marin Water District
Chris DeGabrielle, North Marin Water District
Chris Murray, Sonoma County Water Agency
John Nelson, JONWRM

Public Attendees: Brenda Adelman, RRWPC
Bob Anderson, United Wine Growers